

BPPT Incentive Agreement Staff Report

Date: April 9, 2025
To: Douglas County Board of County Commissioners
Through: Douglas J. DeBord, County Manager
From: Terence T. Quinn, AICP, Director of Community Development *TQ*
CC: DJ Beckwith, Principal Planner
Lauren Pulver, Planning Supervisor
Kati Carter, AICP, Assistant Director of Planning Resources
Subject: **Business Personal Property Tax Incentive Agreement Between Douglas County and Safran Defense & Space, Inc.**
Project File: ED2025-001

Board of County Commissioners Meeting:

April 22, 2025 @ 2:30 p.m.

I. EXECUTIVE SUMMARY

Safran Defense & Space, Inc. (Safran) has requested the rebate of business personal property tax (BPPT) to support its location of a facility in Douglas County. The proposed agreement provides a 100% rebate of Douglas County's portion of BPPT over a 35-year period. The project qualifies for economic development incentives, including BPPT rebates, based on eligibility defined in Colorado Revised Statute (C.R.S.) Section 30-11-123.

II. APPLICATION INFORMATION

A. Applicant

Safran Defense & Space, Inc
Edge 470 – Building 3
15020 Compark Boulevard
Parker, Colorado 80134

B. Applicant's Representative

Matthew B. DePiero
Edge 470 – Building 3
15020 Compark Boulevard
Parker, Colorado 80134

III. REQUEST

A. Request

This request is for the approval of a BPPT Incentive Agreement between Douglas County and Safran.

B. Background

Safran is global space equipment provider of electric propulsion, on-board & ground optics, telemetry & communication, space & spectrum awareness, precision timing & radionavigation, and space vehicle instrumentation & navigation solutions. Safran is requesting a BPPT agreement for a term of 35 years and estimates a business personal property value of \$12 million. This would result in an estimated total rebate of \$1,798,130 over the length of a 35-year agreement with an average annual rebate of \$51,375.

C. Location

The facility is located at Edge 470 – Building 3, 15020 Compark Boulevard, Parker, Colorado 80134.

D. Project Description

Safran is leasing a 28,337 square foot facility that houses manufacturing, integration, testing, and associated personnel supporting their wide range of space products. Safran anticipates hiring over 20 new employees within the next 24 months consisting of primarily of engineers, technicians, and operators.

E. Process

The Board of County Commissioners considers incentive requests based on Colorado Revised Statute (C.R.S.) Section 30-11-123, which provides that the “health, safety, and welfare of the people of this state are dependent upon the attraction, creation, and retention of jobs,” and enables the County to use economic development incentives.

IV. STAFF ASSESSMENT

Staff has evaluated the Incentive Agreement with both the County Attorney’s Office and the County Assessor’s Office to ensure compliance with statute. The Board may approve the Incentive Agreement.

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SPACE SOLUTIONS

February 4th, 2025

Mr. CJ Gates, Planner
Douglas County Department of Community Development
Community and Resource Services
100 Third Street
Castle Rock, CO 80104

Dear Mr. Gates,

Safran Defense & Space, Inc. ("Safran DSI"), via its Space Solutions business unit, is a global space equipment provider of Electric Propulsion, On-board & Ground Optics, Telemetry & Communication, Space & Spectrum awareness, Precision Timing & Radionavigation, and Space Vehicle Instrumentation & Navigation solutions.

Safran DSI-Space Solutions is proud to support United States Government and commercial customers with our recently leased facility within Douglas County located at Edge 470 – Building 3, 15020 Compark Boulevard, Parker, Colorado 80134. Our leased facility is approximately 28,337 square feet to house manufacturing, integration, testing, and associated personnel supporting of our wide range of space products as previously detailed. Once operational, we anticipate growing to over 20 team members within the next 24 months consisting primarily of engineers, technicians, and operators. Additionally, Safran DSI expects to have approximately \$12,000,000 in personal property or other assets located or attributable to this site.

Given our recently leased facility operating within Douglas County, through at least 2034 and potentially beyond, we are seeking a personal property tax rebate for as long as we are located within the county subject to any maximum limit as determined by the Douglas County Board of County Commissioners.

Safran DSI-Space Solutions would very much welcome the opportunity to meet with the Douglas County Board of County Commissioners to share our plans for our Parker, Colorado based Space Solutions facility and our projected growth.

Sincerely,

DocuSigned by:

Matthew DePiero

BAC62406BE87441...

Matthew B. DePiero
Director, Contracts
Safran Defense & Space, Inc.

Email: Matt.Taves@safran-dsi.com
Cell: 603.203.5286

Safran Defense & Space, Inc.

Edge 470 – Building 3
15020 Compark Boulevard
Parker, Colorado 80134

Safran Defense & Space, Inc. BPPT Incentive Agreement

Project File: SV2024-002

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T (603) 203 5286
www.Safran-DSI.com



FEBRUARY 6, 2025

DOUGLAS COUNTY COMMISSIONERS
100 THIRD STREET
CASTLE ROCK, CO 80104

RE: LETTER OF SUPPORT- SAFRAN DEFENSE & SPACE LLC. BUSINESS PERSONAL PROPERTY TAX REQUEST

Dear Commissioners,

On behalf of the Town of Parker, I am writing to express our support for Safran Defense & Space Inc.'s proposed investment in our community. Safran's upcoming project, focusing on advanced aerospace and defense technologies, represents a significant milestone for our region. This investment will not only bolster local innovation but will also create high-quality jobs and generate substantial economic benefits for both the Town of Parker and the broader Douglas County area.

Safran's presence in our community will provide critical employment opportunities in high-tech fields, furthering our reputation as a cutting-edge technology and infrastructure hub. The project will foster collaboration across industries and attract additional businesses, creating a ripple effect that strengthens the economic fabric of our region.

The Town of Parker is proud to support Safran Aerospace and Defense in its efforts to enhance our local economy and position the region as a leader in the aerospace and defense sectors. We fully support any requests or incentives that will help facilitate this important project, ensuring its success and long-term benefits for the community.

We appreciate your consideration of Safran's request for a business personal property tax rebate. This rebate will ensure the success of this project and its long-term benefits for our community and Douglas County.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Weldy Feazell".

Weldy Feazell

Director of Economic Development and PAR
Town of Parker



Douglas County

ECONOMIC DEVELOPMENT CORPORATION

February 11th, 2025

Subject: Letter of Support for Safran Defense & Space, Inc. Personal Property Tax Rebate

On behalf of the **Douglas County Economic Development Corporation (DCEDC)**, I am pleased to express our **full support** for the personal property tax rebate request submitted by **Safran Defense & Space, Inc. (Safran DSI)** in relation to their new **Space Solutions facility** at **Edge 470 – Building 3, 15020 Compark Boulevard, Parker, CO**.

The process of attracting and successfully locating an international company like **Safran DSI** within **Douglas County** is a testament to our region's growing reputation as a hub for aerospace and advanced technology industries. As a **global space equipment provider**, Safran DSI's decision to establish its presence here is a **major economic development win** that reinforces our county's strategic importance in the national space and defense sector.

Bringing an international company into Douglas County requires a **collaborative effort** between local government, economic development partners, and the private sector. From **site selection and infrastructure considerations to workforce development and business incentives**, DCEDC has worked diligently to foster an environment where high-tech and aerospace businesses like Safran DSI can **thrive and expand**.

Providing a **personal property tax rebate** for Safran DSI will allow the company to continue its expansion while further investing in **talent acquisition, infrastructure, and innovation**. This incentive will also signal to other global aerospace companies that Douglas County is a **business-friendly, competitive destination** for advanced manufacturing and space technology enterprises.

I encourage the **Douglas County Board of County Commissioners** to approve this request, as it aligns with our shared vision of making Douglas County a **premier location for aerospace and defense growth**. We look forward to continuing our partnership with Safran DSI and supporting their long-term success in our community.

Sincerely,

Ellie Reynolds

President & CEO

Douglas County Economic Development Corporation

AGREEMENT BETWEEN DOUGLAS COUNTY AND SAFRAN DEFENSE & SPACE, INC. CONCERNING PERSONAL PROPERTY TAX INCENTIVE PAYMENTS

This Agreement concerning personal property tax incentive payments (the “Agreement”) is entered into this ___ day of _____, 2025, between the Board of County Commissioners of the County of Douglas, Colorado (the “County”) and Safran Defense & Space, Inc. (the “Company”).

RECITALS

WHEREAS, the welfare of the citizens of Douglas County is dependent, in part, upon the attraction of new businesses into the County and the expansion of existing businesses in the County; and

WHEREAS, tax incentives are sometimes necessary in order to attract new businesses; and

WHEREAS, such incentives stimulate economic development in the County and create new jobs and retain jobs; and

WHEREAS, Section 30-11-123, C.R.S., authorizes counties to negotiate for incentive payments for the County’s portion of any Business Personal Property Taxes (BPPT) for any taxpayer who establishes a new business facility or expands an existing facility in the County; and

WHEREAS, the County and the Company desire to enter into an agreement for incentive payments in accordance with the provisions of Section 30-11-123, C.R.S. granting specified incentives to the Company for the County’s portion of BPPT as otherwise detailed herein;

NOW, THEREFORE, for and in consideration of the mutual promises hereinafter set forth, the County and the Company agree as follows:

1. The Company occupies a new business facility located at Edge 470 - Building 3, 15020 Compark Boulevard, Parker, CO (the “New Facility”). For the New Facility, the County will assign to the Company a new parcel identification number, which shall be used to report the personal property acquired by the Company in connection with the new investment (and treated as part of a new business facility under Section 30-11-123, C.R.S.).

2. The Company represents, certifies, and warrants to the County that the New Facility qualifies as a new or expanded business facility under the provisions of Section 30-11-123(1)(b), C.R.S. and is eligible for business personal property tax incentives authorized by the County.

3. For each of thirty-five (35) consecutive tax years, beginning for taxes levied in the 2026 tax year, the County agrees to rebate to the Company one hundred (100) percent of the County’s portion of BPPT levied by the County and paid by the Company, as applicable, on taxable personal property acquired on or after January 1, 2026, and located at or within the New Facility and appearing on the personal property declaration schedules submitted by the Company to the County Assessor for the New Facility for the applicable tax year. The total amount rebated by the

County with respect to any tax year shall not exceed one hundred (100) percent of the County's portion of the BPPT levied by Douglas County upon the Company's taxable personal property located within the New Facility and used in connection with the operation of such New Facility for the applicable tax year. The term "tax year" as used herein shall mean the year in which said personal property is assessed for tax purposes. Such personal property must be located at the Company's facility as of January 1st of the tax year in question in order to be assessed. Personal property that is moved to or acquired at the Company's New Facility subsequent to the assessment date of January 1st becomes assessable in the following tax year. Personal property taxes become due and payable on January 1st of the year following the year in which they are levied.

4. The Company represents that it projects that the Company will meet specified performance measures as follows:

A. The Company projects that it will add up to twenty (20) jobs within Douglas County during the thirty-five (35) years covered by this Agreement.

B. The Company is required to provide the County with an annual report documenting the number of jobs added (net) during the thirty-five (35) year period of this Agreement. Annual report shall include number of full-time equivalents (total and net created annually), position titles, and annual average wage. An annual report is due to the County no later than March 31st of each year of this Agreement. Notwithstanding anything to the contrary, the Company shall not be required to provide the County with employee names, social security numbers, or any other personal identifying information.

5. Said rebate payment shall be made to the Company by the County within sixty (60) days of the County Manager's receipt of evidence reasonably satisfactory to the County Manager of the full payment by the Company of all property taxes due and owing with respect to said personal property, and the Company's *written waiver (must be executed once a year upon payment of taxes)*, in a form provided by the County, of any rights to seek a refund of all or any part of said taxes. In the event the Company decides to seek an abatement or refund of all or any portion of the taxes levied on said personal property, no rebate payment shall be made by the County to the Company until such abatement or refund proceeding has been finally concluded and any personal property taxes found to be due are paid in full.

6. Such rebate payment shall be made only if the Company is eligible to receive this incentive payment under the provisions of Section 30-11-123, C.R.S., in each year for which a rebate payment is requested.

7. In the event of any dispute as to the amount of any rebate payment to be made to the Company hereunder, the Company and the County shall meet and confer in good faith to resolve such dispute. In the event the parties are unable for any reason to resolve such dispute within a period of sixty (60) days after notice of a dispute has been given by one party hereunder to the other, the decision of the County shall be final and conclusive.

8. Acceptance by the Company of a rebate payment shall be full and final satisfaction of any obligation of the County to make said payment for the tax year for which the payment is made.

9. This Agreement is subject to and shall be interpreted under the laws of the State of Colorado. Court jurisdiction for any dispute concerning this Agreement shall be exclusively in the District Court in and for Douglas County, Colorado.

10. The County reserves the right for the Douglas County Assessor to perform an annual physical inspection of the facility to verify assets listed by the Company on the Commercial Personal Property Declaration Schedule filed by the Company for each New Facility for the applicable tax year. Written notice of the physical inspection will be provided.

11. All notices under this Agreement shall be effective when mailed by regular mail, postage prepaid, to the following addresses:

A. If intended for the Company:

Safran Defense & Space, Inc.
Matthew B. DePiero
Edge 470 – Building 3
1520 Compark Boulevard
Parker, CO 80134
Re: Economic Development Agreement

B. If intended for the County:

Douglas County
c/o County Manager
100 Third Street
Castle Rock, CO 80104
Re: Economic Development Agreement

Or to such other address as either party may hereafter from time to time designate by written notice to the other party given in accordance with this paragraph.

12. Any potential expenditure for this Agreement outside the current fiscal year is subject to future annual appropriation of funds for any such proposed expenditure, pursuant to section 29-1-110, C.R.S.

13. This Agreement, as to its subject matter, exclusively and completely states the rights, duties and obligations of the parties and supersedes all prior and contemporaneous representations, letters, proposals, discussions, and understandings by or between the parties. This Agreement may only be amended in writing and signed by both parties.

Executed and agreed to effective as of the date first set forth above.

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

BY: _____

Chair

Date: _____

ATTEST:

Deputy Clerk to the Board

Date: _____

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

Doug DeBord, County Manager

Date: _____

Arielle Denis, Assistant County Attorney

Date: _____

**APPROVED AS TO FISCAL
CONTENT:**

Andrew Copland, Director of Finance

Date: _____

SAFRAN DEFENSE & SPACE, INC.

By: Matt Taves

Title: Contracts Manager _____

Date: 03/31/2025

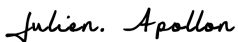


ATTEST:

By: Julien Apollon

Title: General Counsel

Date: 03/31/2025

DocuSigned by:

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STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by

_____.

Notary Public

Commission Expiration